

# **Amtrak and the Future of Passenger Rail in the Pacific Northwest**

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SeaTac, Washington  
August 22, 2005





*Photo courtesy Steven J. Brown*

# Today's Presentation

- Amtrak's history and current system in the Pacific Northwest
- Amtrak reform: What is it?
- Federal funding proposals for passenger rail
- State program updates
  - Oregon
  - Washington
- Issues and challenges for passenger rail



# How did Amtrak begin?

- Private railroads losing money on passenger service
- “Murder or suicide?”
- Federal government forms the National Passenger Railroad Corporation in 1971
- Amtrak - American travel by track
- Federal grants to Amtrak provided by Congress in single year increments – no dedicated federal funding source
- Northwest routes included Seattle-Portland locals, *Empire Builder*, *Coast Starlight*, *Pioneer*, *North Coast Hiawatha*, and the *Pacific International*



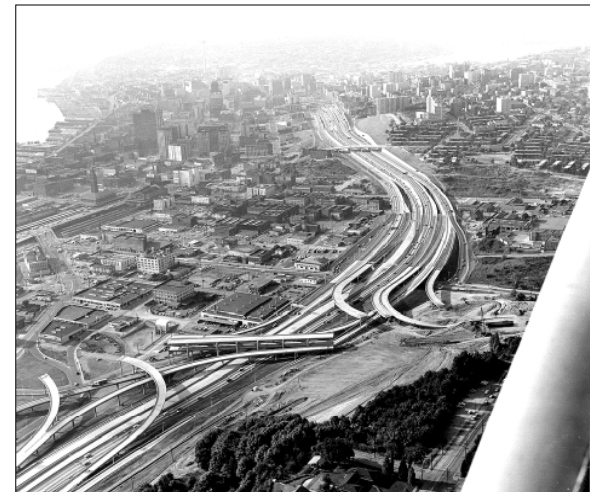
North Coast Hiawatha in Montana, 1973

# Amtrak's Mission: Public service *and* profitability

- Amtrak's dual mission: Provide national rail service and make a profit
- Limited funds for track repair, equipment, and stations
- Modal competition: public funding, the personal automobile, and air travel
- Amtrak and Congress: Subsidies and politics



*Sea-Tac Inauguration, 1948*



*Seattle Interstate Highway construction, 1960s*



# Amtrak Today: Change and reform



- \$1.2 billion annual budget in FFY 2005
- Serving more than 500 stations in 46 states
- 25 million passengers in FFY 2004
- David Gunn's leadership
- "State of good repair"
- Focus on core business
- Better accounting and Congress
- The ongoing challenge of single-year appropriations



*Amtrak President David Gunn*

# Amtrak's National System: 2005



# The Bush Administration and Amtrak: Another way of implementing reform

- No funding for FFY 2006
- *The Passenger Rail Investment Reform Act of 2005*

States provide operating subsidies

Capital grants could be made available – no funding amounts established in the Act

States could negotiate with new private operators

- A drastic approach that has stimulated vigorous discussion and debate

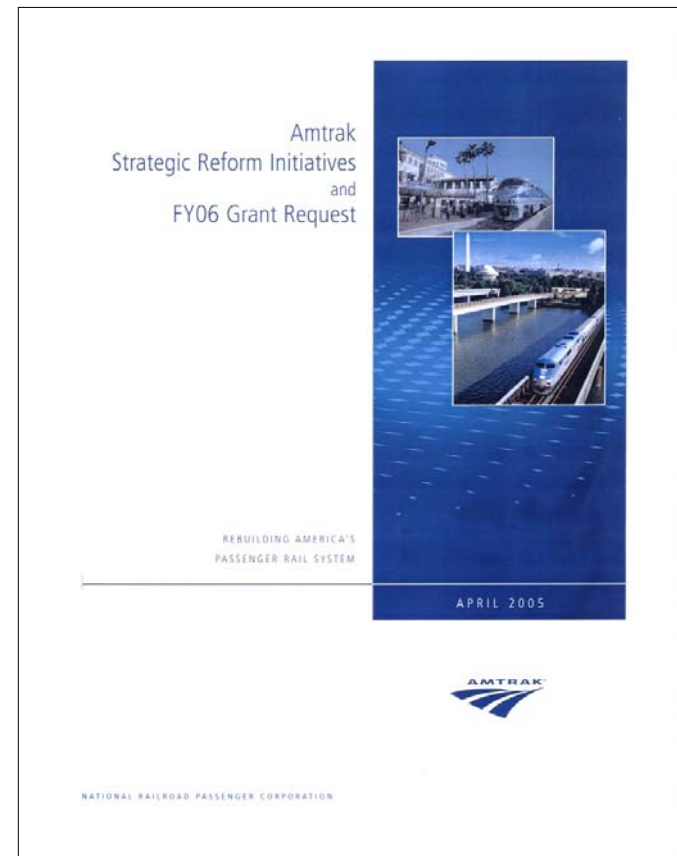


*Transportation Secretary  
Norman Y. Mineta*



# Amtrak's Strategic Plan for 2006

- Represents the railroad's response to the Bush Administration's call for reform
- “Radical” departure from the past
- The Plan states that Amtrak “the railroad” and national passenger rail policy must be separated
- Federal funding for passenger rail service development is critical – to be modeled after federal highway and aviation programs
- The Plan sets the stage for greater competition; Amtrak one of several providers



# Congress and Amtrak: Funding for FFY 2006

- Amtrak's request for FFY 2006: \$1.8 Billion
- House of Representatives: \$1.17 Billion
- Senate Appropriations Committee: \$1.45 Billion
- Final amount to be determined in September 2005



*Amtrak's Acela*



# SAFETEA-Lu and Intercity Passenger Rail

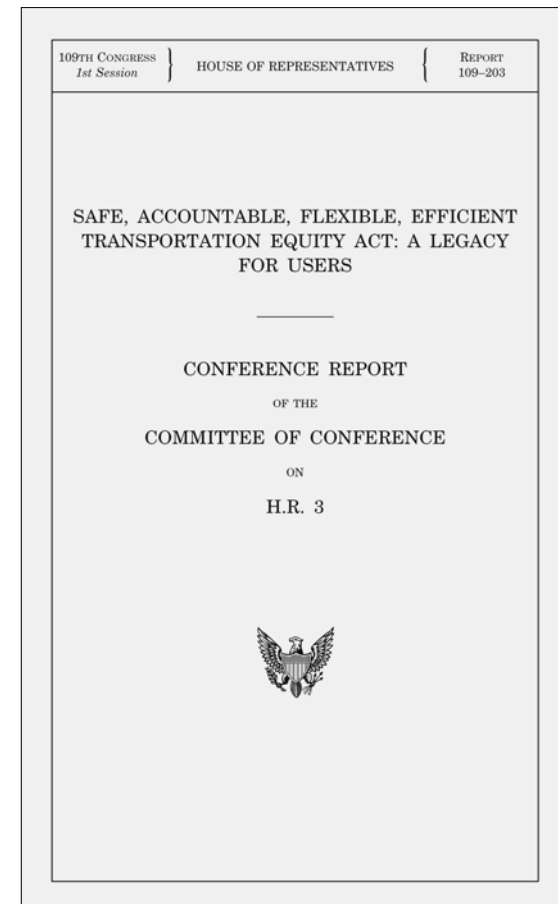
## Section 9001: High Speed Rail Corridor Development

- Reauthorizes and modifies existing Swift Rail Development Act – FFY 2006 - 2013
- \$30 million per year for technology development
- \$70 million per year for corridor “development”

TEA-21 had only \$10 million per year for corridor planning

Grants can be used for locomotives, rolling stock, track, and signal equipment

50 percent State match required



# Passenger Rail Investment and Improvement Act of 2005

- Three themes of S. 1516: Reform and accountability; adequate federal funding; and service improvement.
- FFY 2006-2011: \$8.2 Billion for Amtrak capital projects and operations
- Act calls for new financial accounting system to be monitored by the USDOT Inspector General
- Amtrak, the FRA, the Surface Transportation Board and freight railroads to develop performance metrics



*Senator Frank Lautenberg*



*Senator Trent Lott*

# Passenger Rail Investment and Improvement Act of 2005

- STB can impose fines on freight railroads for poor on-time performance
- Private railroads can bid to operate long-distance and state-supported routes
- New capital grant program for states – 20 percent State match requirement; \$1.4 Billion total for states
- \$5 million in FFY 2006 for Next Generation Corridor Equipment Pool





# Washington, Oregon and Amtrak: Corridor Development

“The Pacific Northwest is one of the best examples that I know of. And, in fact, it would be fair to say that the *Cascades* service between Portland, Oregon and Vancouver, British Columbia, serves as the model for national reform.”

*USDOT Secretary Norman Y. Mineta  
February 14, 2005*



# Washington, Oregon and Amtrak: Corridor Development

- Amtrak's 403 (b) provision
- The Federal government and high-speed rail: corridor designations in 1992
- Washington and Oregon begin providing public funds to support intercity passenger rail service in 1994
- Public funds to create sufficient capacity for passenger trains while ensuring no adverse impact on rail freight mobility



*The federally designated Pacific Northwest Corridor*

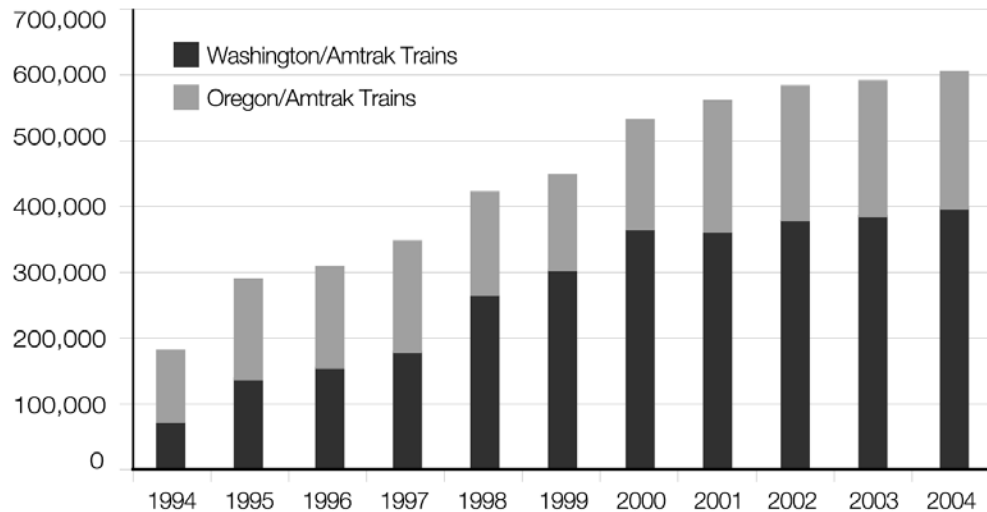
# Amtrak *Cascades* Ridership

Eugene - Portland - Seattle - Bellingham - Vancouver, B.C.

- Ridership in 2004 exceeded 600,000 for the first time
- Ridership on the Seattle-Bellingham train continues to climb
- Seattle-Vancouver, B.C. ridership declined by nearly 2 percent in 2004
- Record ridership in July 2005

## Amtrak *Cascades* Annual Ridership

Number of Passengers



Source: Amtrak and WSDOT Rail Office.

# WSDOT Intercity Rail Program Milestones

**1994:** 2<sup>nd</sup> daily Seattle-Portland roundtrip added

**1995:** Seattle-Vancouver, BC service re-established

**1998:** 3<sup>rd</sup> daily Seattle-Portland roundtrip added;  
25 minute travel time reduction;  
Referendum 49

**1999:** New Talgo trainsets go into service;  
Seattle- Bellingham service starts; I-695

**2003:** Vancouver Rail Project Record of Decision

**2003:** WSDOT purchases 3<sup>rd</sup> Talgo trainset

**2004:** Master Corridor Agreement with BNSF

**2005:** Record ridership and revenues anticipated



*Leased Talgo trainsets - 1994*



*New equipment introduced 1999*





*Near Steilacoom, WA*













Travel feeds the soul. But don't neglect your stomach.  
The train rolls. The coffee pours.  
And onboard, a light breakfast becomes  
a moveable feast.

Travel As You Wish.

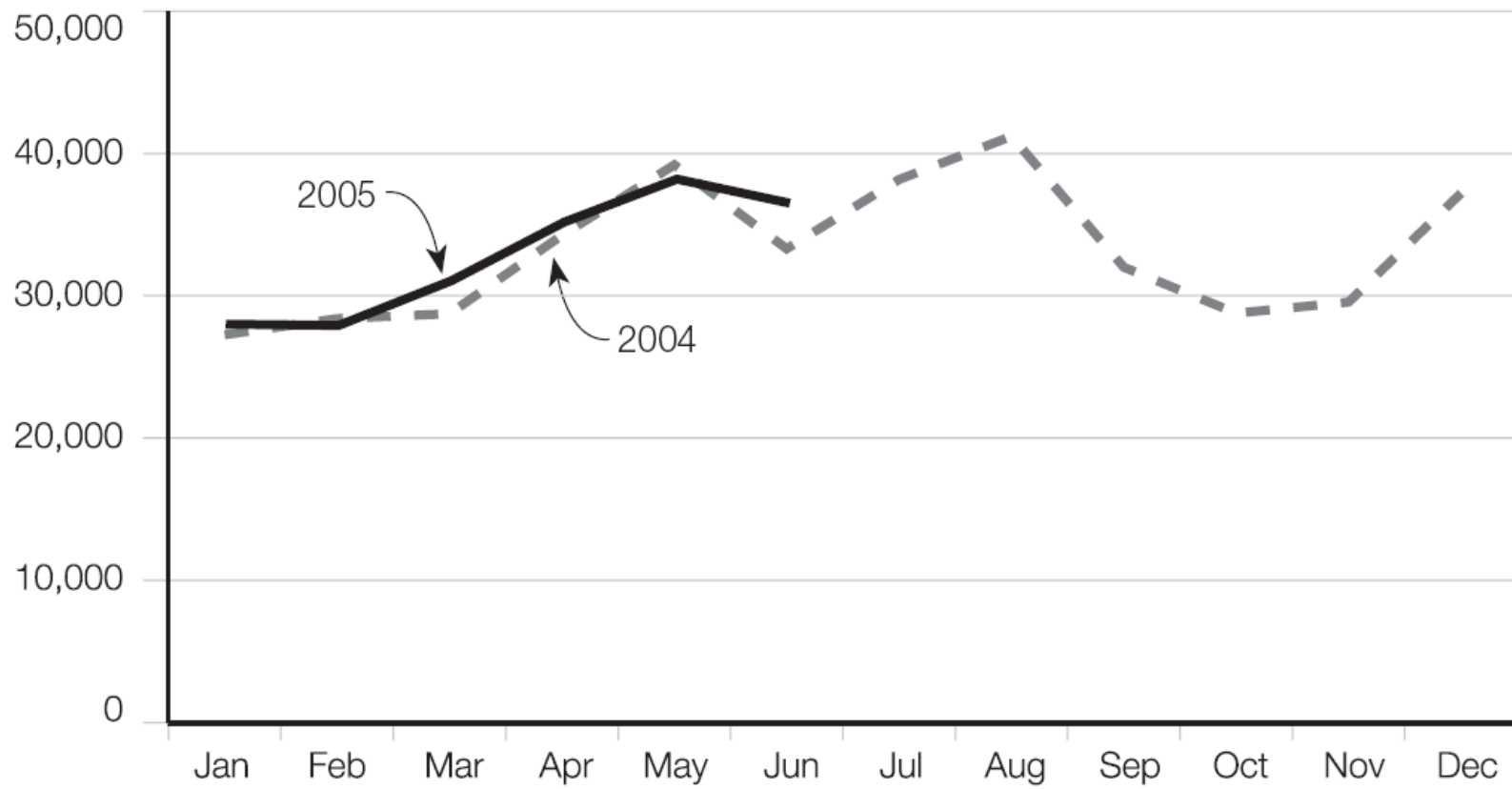
[www.AmtrakCascades.com](http://www.AmtrakCascades.com)  
1-800-USA-RAIL

Amtrak CASCADDES

*Emily*

# State-Supported Amtrak *Cascades* Monthly Ridership

Number of Passengers

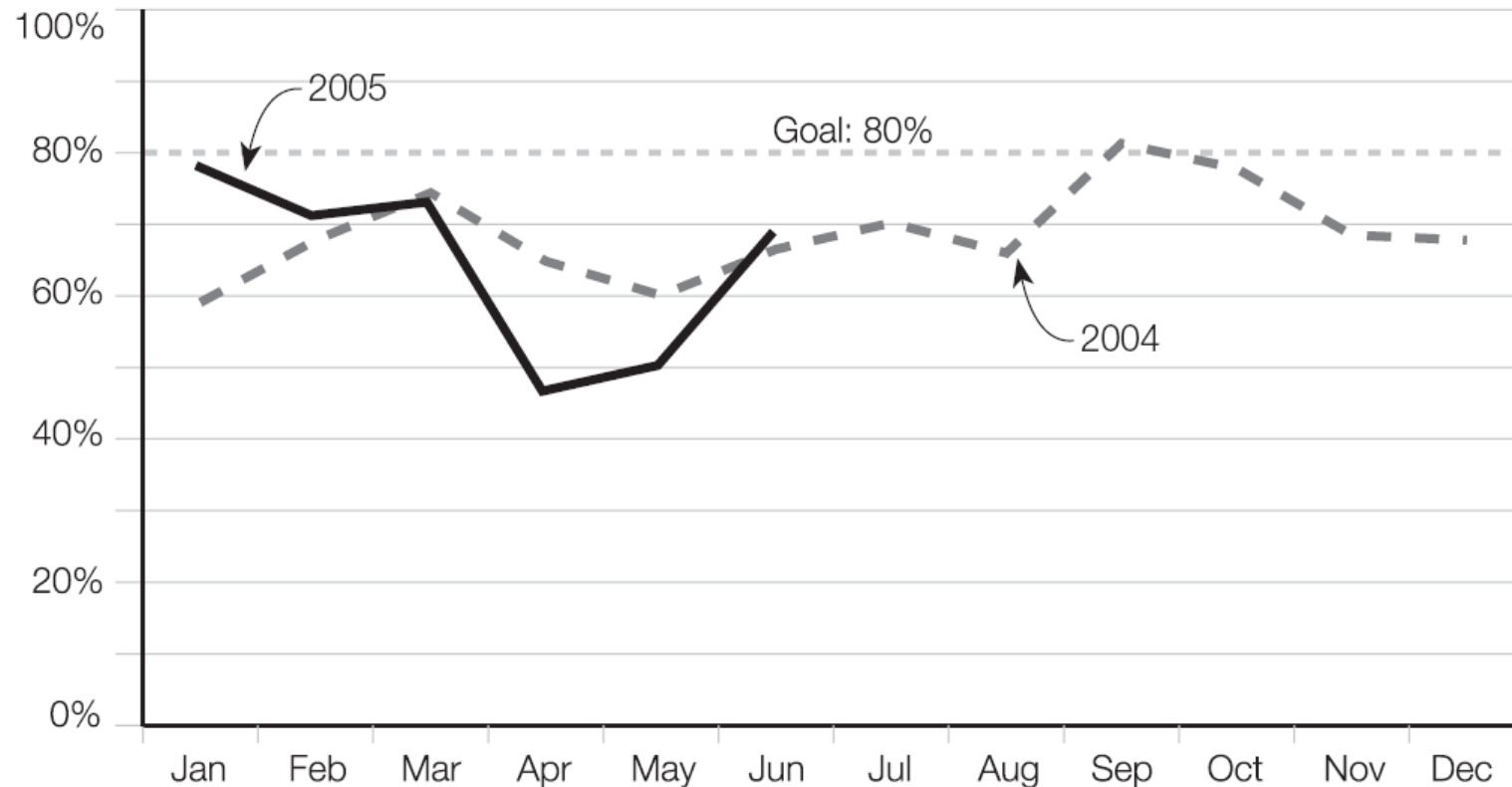


Source: Amtrak and WSDOT Rail Office.



# State-Supported Amtrak *Cascades* On-time Performance

2005 vs. 2004 Percent On-Time



The on-time performance goal for Amtrak *Cascades* is 80% or better. A train is considered on-time if it arrives at its final destination within 10 minutes or less of the scheduled arrival time.

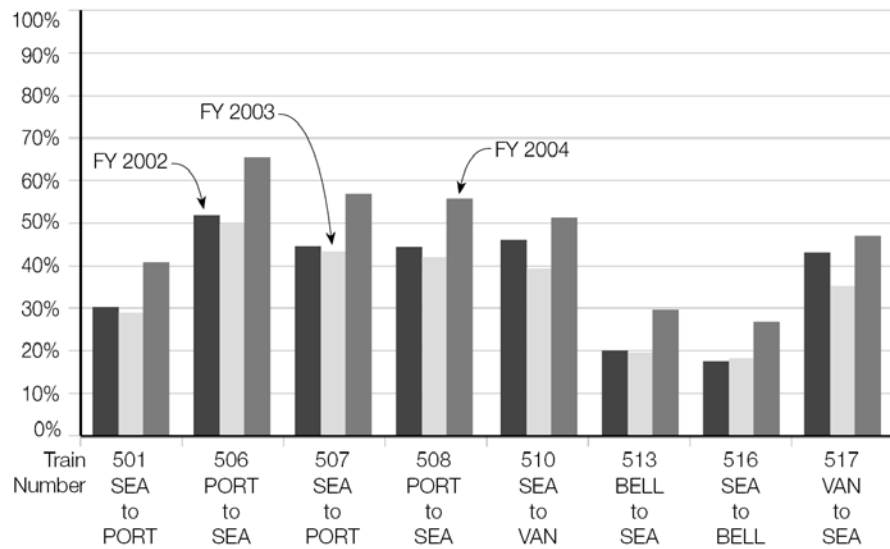
Source: Amtrak and WSDOT Rail Office.

# Amtrak *Cascades* Farebox Recovery

## State-supported routes only

- All trains performed better in 2004 than they did in 2003
- Factors that led to better financial performance include more aggressive revenue management by Amtrak, a slight increase in ridership, and some changes in the way Amtrak assigns costs to their state partners
- Average farebox recovery is now just under 50 percent of total operating costs
- 513 and 516 doing better, but still lagging behind the other routes

**State-Supported Amtrak *Cascades* Farebox Recovery  
FFY 2002-2004**



Source: WSDOT Rail Office

# Public Investment in Amtrak *Cascades*

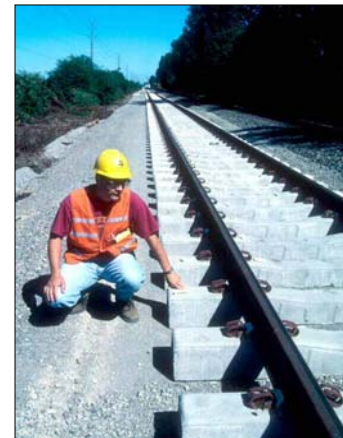
## Portland – Seattle – Bellingham – Vancouver, BC

All public sources

- \$320 million spent since 1994 on capital projects and equipment
- \$200 million spent on operating subsidies
- \$87 million for stations
- Existing funding sources include taxes on rental cars, the sale of new and used vehicles (2003), and vehicle weight fees (2005)



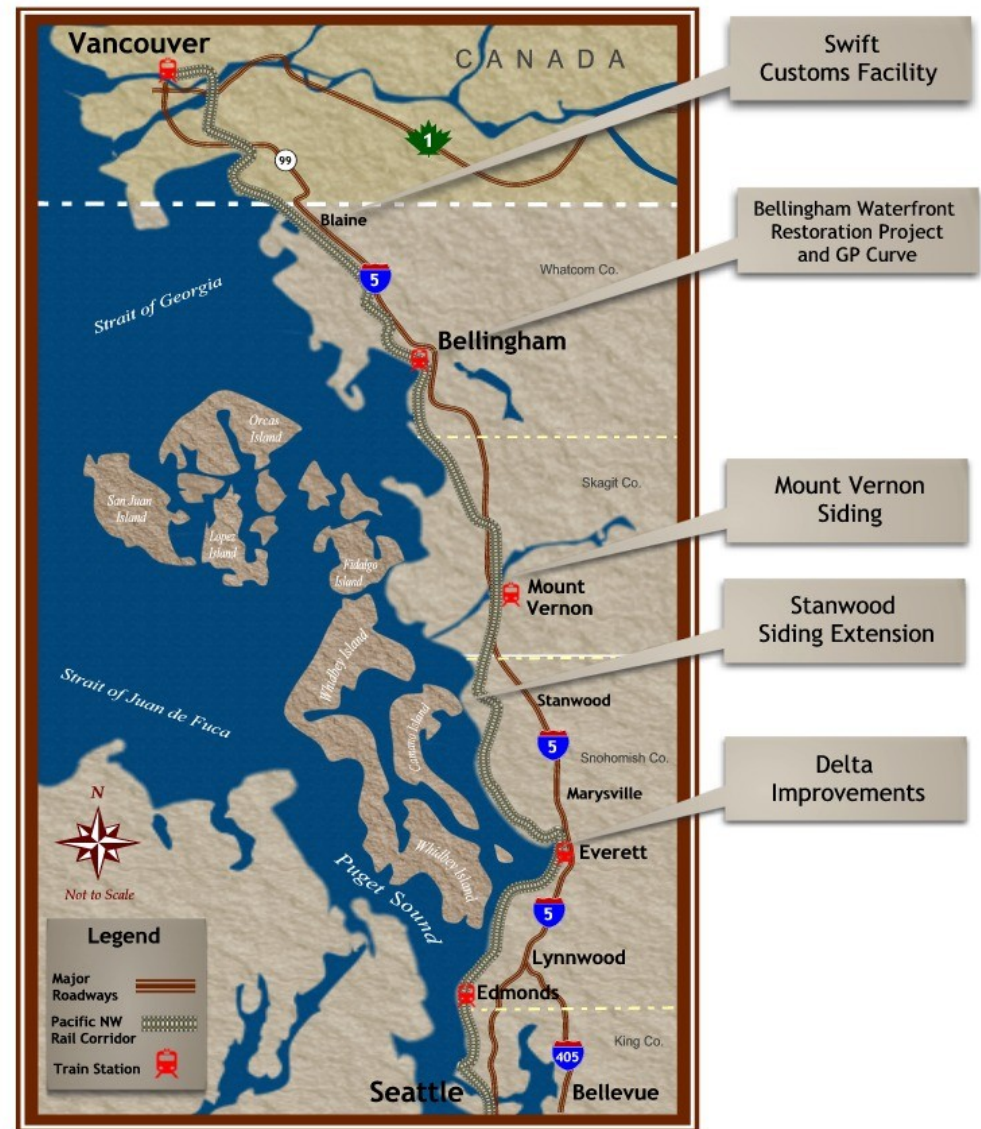
*Final assembly of Talgo trainsets in Seattle, 1998*





# Funded Projects North of Seattle: 2005 - 2015

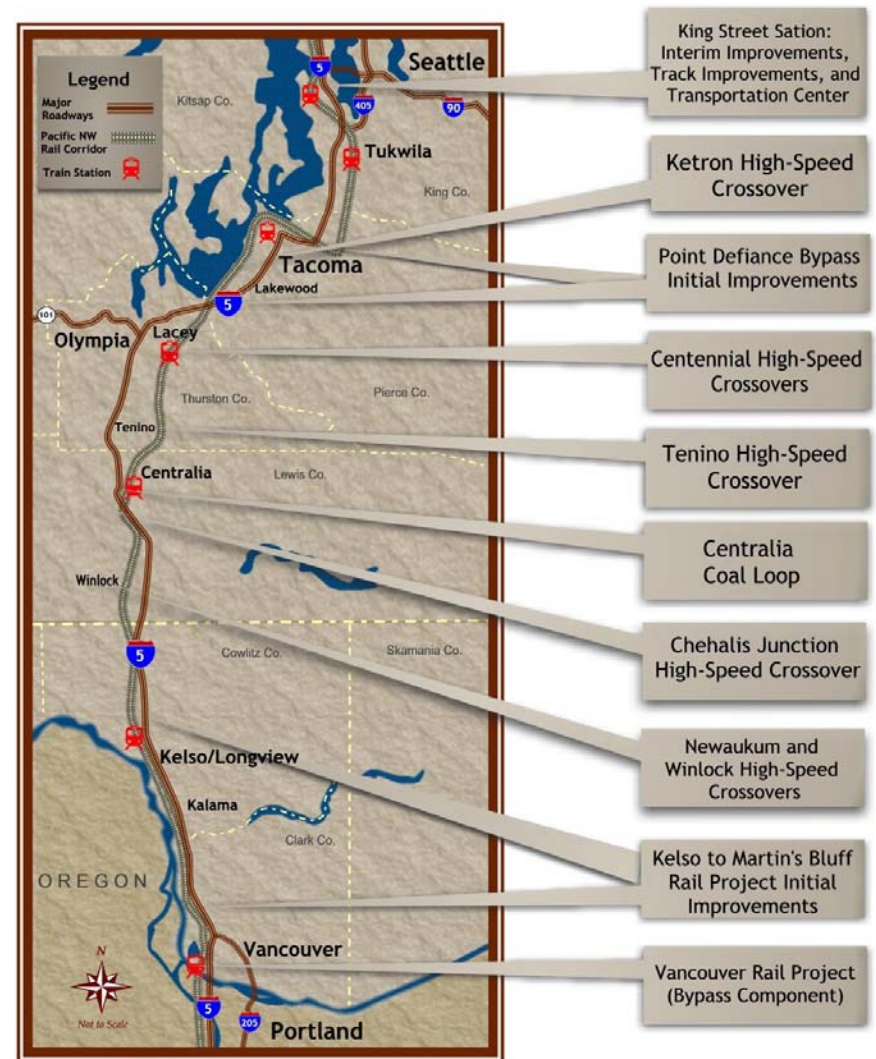
- Total funding: \$24.65 million
- Fulfills contractual commitment for second daily roundtrip
- Improved on-time performance
- Sets the stage for service extension to Canada; 2010 Winter Olympics





# Funded Projects South of Seattle: 2005 - 2015

- Total funding: \$185.6 million
- Added capacity and improved on-time performance
- WSDOT-funded projects needed for fourth daily roundtrip between Seattle and Portland completed in June 2005



# King Street Station

## Renovations underway

- Total funding for station and track improvements 2005 - 2015: \$32 million
- \$13 million for Phase I improvements still to be spent



*Compass Room entryway*



*Decorative plaster installation*



*Compass Room entryway*

# State-owned Trainsets Overhaul

- WSDOT owns three of the five Amtrak *Cascades* trainsets
- Total funding: \$17 million

Interior refurbishment

Electronic systems  
upgrade

Mechanical  
improvements





# Oregon and Amtrak *Cascades*





# Oregon's Intercity Passenger Rail Program

- Began in 1994
- FY 05-07 budget: \$9.6 million
- Partner with Amtrak & WSDOT on Amtrak *Cascades* between Portland – Eugene
- 124 miles; 2:35 running time
- Past investments:
  - \$9.5 million for capital improvements
  - \$14.6 million for station upgrades
  - \$1.4 million for cab cars
  - \$1.2 million in equipment lease payments

Oregon Department of Transportation

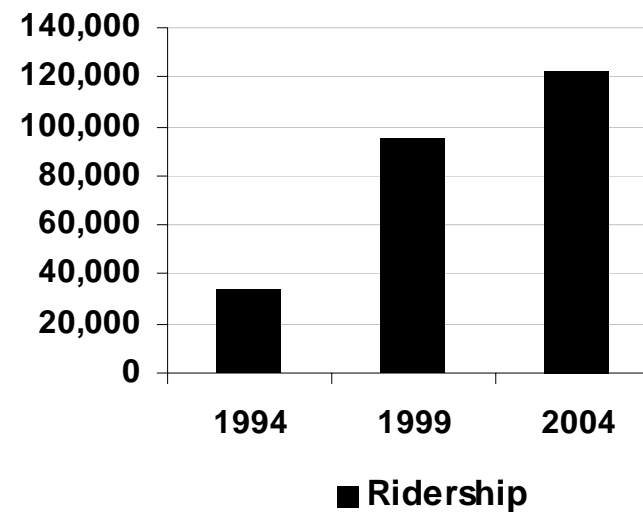


# Oregon Corridor Ridership

## Eugene – Salem - Oregon City - Portland

- 1994 - 33,770 passengers
- 1999 - 95,300 passengers
- 2004 - 122,474 passengers
- Second daily roundtrip added October 2000

**Oregon-supported Amtrak *Cascades*  
Portland-Eugene Ridership**



*Excludes the Coast Starlight*

# Oregon Capital Projects for Amtrak Cascades

- Portland to Washington border track and signal upgrades
- Portland to Brooklyn Yard track and signal improvements
- Albina Yard run-through track
- Eugene yard track improvements
- Cab car conversions (3)



*Track work in North Portland*



*Salem Station*

# The Future of Passenger Rail in Oregon

- No capital funds for 2005-2007
- Union Pacific Railroad and limited capacity
- Requires dedicated funding for operations and capital improvements
- Fate tied to Amtrak's situation



*Portland's Union Station*



# Intercity Passenger Rail: Issues and Challenges

- The future of Amtrak
- Dedicated federal funding source does not exist
- Freight rail traffic growth
- Initiative 912
- Oregon capital funding
- Canadian investment
- Pre-clearance and the 2010 Winter Olympics

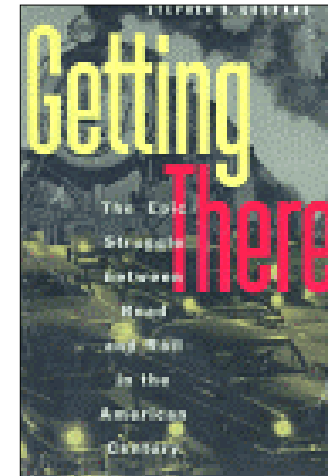


*Photo courtesy the Port of Seattle*

# Popular Books on Passenger Rail and Amtrak

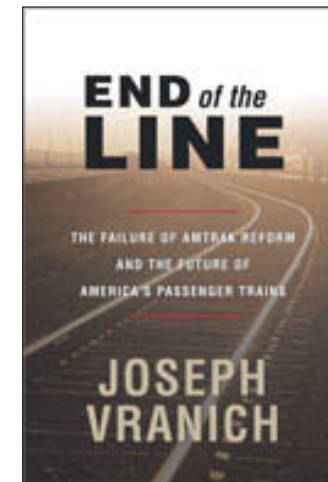
**Getting There:** The Epic Struggle Between Road and Rail in the American Century

By Stephen B. Goddard



**End of the Line:** The Failure of Amtrak Reform and the Future of America's Passenger Trains

By Joseph Vranich



**The Amtrak Story**

By Frank Wilner

## For More Information....

- Visit [www.wdot.wa.gov/Rail](http://www.wdot.wa.gov/Rail)
- Visit [www.AmtrakCascades.com](http://www.AmtrakCascades.com)
- Call us at **(800) 822-2015** (in Washington) or **(360) 705-7900** (outside of Washington)
- Email us at [rail@wsdot.wa.gov](mailto:rail@wsdot.wa.gov)

